



## State of California Nonresident Tax Withholding Requirement

In order to comply with the State of California's Nonresident Tax Withholding, we are required to withhold 7% of the payment unless we have either Form 587 or Form 590 completed as appropriate.

### Do you physically perform services in the State of California?

**If no:** Please complete Form 587. Form 587 is used to determine if withholding is required on payments to nonresidents based upon what services or goods/materials they provide to the withholding agent (LBNL). The withholding agent (LBNL) relies on the certification made by the vendor or payee to determine if withholding is required.

**If yes:** If you qualify for an exemption from California nonresident withholding complete Form 590, otherwise complete Form 587.

Based on California Franchise Tax Board's instruction

[http://www.ftb.ca.gov/forms/2011/11\\_1017.pdf](http://www.ftb.ca.gov/forms/2011/11_1017.pdf), the purpose of Form 590 is to certify an exemption from nonresident withholding, California residents, entities registered with the CA Secretary of State (SOS) and those entities who have a permanent place of business in California should complete and present Form 590 to the withholding agents (LBNL). As soon as the form is received, LBNL is relieved of the withholding requirements.. If no forms are received, you could be subject to California Nonresident Withholding of 7%.

**\*\*Please note:** A W9 form can not be accepted in lieu of one of the required California forms.